

Workshop Agenda

The Volatility of Crude Oil Prices, and the Mitigation of Oil Price Risk

- Venue:** Zoom - online
- Date:** Monday & Tuesday, December 20 & 21, 2021
- Format:** Each session will begin with a research presentation by a selected participant followed by a round-table discussion to develop new insights and identify future research directions in the area presented.
- Hosted by:** KAPSARC, OIES, CEPMLP.

Monday, December 20, 2021, from 4:00 – 6:30 p.m. Riyadh time (GMT+3)

OPENING REMARKS

4:00 p.m. – 4:30 p.m. Welcome and Introduction

Fahad Alajlan, President, King Abdullah Petroleum Studies and Research Center (KAPSARC)

Dr. Bassam Fattouh, Director, Oxford Institute for Energy Studies (OIES)

Peter Cameron, Director, The Centre for Energy, Petroleum and Mineral Law & Policy (CEPMLP)

SESSION 1

4:30 – 5:30 p.m. Causes and Consequences of Short-Term Price Volatility

Unprecedented geopolitical disruptions to world oil markets due to climate change and the coronavirus have led to a significant increase in volatility in crude oil prices. This workshop will provide a roadmap for the role of policy in the mitigation of oil price risk starting with an investigation into the causes and consequences of short-term price volatility

In this session, speakers will provide insights and answers to the following questions:

- What is the role of financial institutions (Exchange Traded Funds, CME rule changes, and managed money) in the recent episode of Covid (and post Covid) oil price volatility?
- What are the implications of volatility on the OPEC+ coherence and the oil markets?
- What are the potential implications of oil price volatility on shale, oilsands and deep-water oil producers?

Speakers:

- **Jeffrey R. Currie**, Global Head, Commodities Research in Global Investment Research, Goldman Sachs
- **Sarah Emerson**, Managing Principal, Energy Security Analysis, Inc.
- **Hamid Al Sadoon**, Senior Research Associate, KAPSARC

Moderator: Adam Sieminski, Senior Advisor to the Board of Trustees, KAPSARC

5:30 – 6:30 p.m. Risk mitigation strategies

Increased volatility on world oil markets since Covid has led to a number of complications such as supply chain disruptions and inflation, placing OPEC at the forefront of policy debates.

The session addresses the underlying risks associated with supply chain readiness and redundancy and how OPEC and its allies can proactively restore balances by answering the following questions:

- What is the future role of OPEC for risk mitigation via the use of spare capacity to balance world oil markets?
- Is there a potential role for “strategic announcements”, the tactical placement of inventories and spot crude oil sales in reducing volatility on Oil Markets?

Speakers:

- **Hilary Till**, *Solich Scholar, J.P. Morgan Centre for Commodities, University of Colorado Denver Business School, Research Associate, EDHEC-Risk Institute (EDHEC Business School)*
- **Ilia Bouchouev**, *Managing Partner, Pentathlon Investments, LLC, adjunct Professor, New York University, and Research Associate, OIES*

Moderator: Dr. Bassam Fattouh, Director, OIES

Tuesday, December 21, 2021, from 4:00 – 6:00 p.m. Riyadh time (GMT+3)

SESSION 3

4:00 – 5:00 p.m. Risk versus Rewards of Market Stabilization Policies

After almost two years of the coronavirus pandemic ushered in one of the greatest challenges of modern times, the global oil market is enjoying relative stability however, the future still lacks clear visibility.

The pandemic has served as a stark reminder of how crucial to maintain a global energy cooperation is in confronting serious industry crises, supporting stable energy markets, and fueling economic growth. Presenters and participants will share insights and provide answers to the following questions:

- What is the role of OPEC and OPEC + during the post-Covid recovery period, and throughout the energy transition?
- How do the benefits of OPEC's role in reducing volatility on world oil markets compare with the potential costs and/or benefits of hedging?

Speakers:

- **Katherine Spector**, Research Scholar, Non-Resident Fellow, Centre of Global Energy Policy at Columbia University SIPA
- **Dr. Adi Imsirovic**, Senior Research Fellow, OIES
- **Dr. Jennifer Considine**, Visiting Researcher, KAPSARC

Moderator: Dr. Xiaoyi Mu, Reader, CEPMLP

SESSION 4

5:00 – 6:00 p.m. Implications of energy transition on long-term oil prices

The challenge for the oil industry is to engage and adapt to a changing policy and investment landscape, but also to evolve in ways which don't simply support but contribute and perhaps even lead efforts to energy system transition.

The energy transition raises existential questions that will be discussed in the session:

- What is the long-term future of risk mitigation policies?
- Where are we in the long-term oil price cycle and where do we go from here?
- Is there a structural change in the volatility of oil prices arising from the lockdown measures of Covid19?
- What's the impact of net zero and COP-26 on oil price volatility?

Speakers:

- **Thom Dawson**, Chief Executive Officer, LNG Impel Inc.
- **Dr. Xiaoyi Mu**, Reader, CEPMLP
- **Mike Lynch**, President, Strategic Energy and Economic Research

Moderator: Majed Al Suwailem, Research Fellow, KAPSARC

6:00– 6:10 p.m.

Closing remarks - Majed Al Suwailem, Research Fellow, KAPSARC